

# Exhibit 16



**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD  
FOR PUERTO RICO**

**June 10, 2022**

**RESOLUTION RELATING TO AMENDED HB 1244**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) was enacted;

WHEREAS, section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”);

WHEREAS, on May 1, 2021, the Puerto Rico House of Representatives (the “House”) passed HB 3, which purported to repeal certain portions of Act 4-2017, the Labor Transformation and Flexibility Act (the “LTFA”), to reestablish many of the labor laws that existed prior to the passage of the LTFA, as well as to create new labor laws creating additional risks and costs for businesses employing persons in Puerto Rico;

WHEREAS, the Oversight Board informed the House and the Puerto Rico Senate (the “Senate,” and together with the House, the “Legislature”) and the Governor of Puerto Rico (the “Governor,” and together with the Legislature, the “Government”) on June 24, 2021 that HB 3 would violate PROMESA by, among other things, repealing labor reforms the certified Commonwealth Fiscal Plan (the “Fiscal Plan”) expressly directs not be undone, and thus would be significantly inconsistent with the Fiscal Plan, and would impair and defeat PROMESA’s purposes;

WHEREAS, the Senate passed HB 3 on February 7, 2022;

WHEREAS, on February 11, 2022, the Oversight Board determined HB 3, if implemented, will impair and defeat PROMESA’s purposes;

WHEREAS, the Governor vetoed HB 3 on March 4, 2022, but expressed support for the principles underpinning it, and requested the Legislature to reconsider its provisions;

WHEREAS, on March 8, 2022, the House passed HB 1244 which, like HB 3, seeks to create new labor restrictions, proposes to repeal portions of the LTFA and to reestablish many of the burdensome labor laws that existed prior to the passage of the LTFA, and proposes to impose additional labor laws;

WHEREAS, on March 18, 2022, the Oversight Board passed a resolution (1) finding that HB 1244 contained most of the problematic aspects of HB 3 that led the Oversight Board to determine HB 3 impairs and defeats the purposes of PROMESA; (2) directing the Senate not to pass HB 1244; (3) directing the Governor not to enact HB 1244 and directing the Government not to implement HB 1244; (4) advising the Government it is barred by PROMESA section 108(a)(2) from enacting, implementing, and enforcing HB 1244; and (5) approving taking legal action to enforce the bar against enacting, implementing, and enforcing HB 1244 and to have it declared a nullity;

WHEREAS, the Senate passed an amended version of HB 1244 on June 2, 2022;

WHEREAS, the House concurred with the Senate's amendments on June 7, 2022, formally approving HB 1244;

WHEREAS, the Senate's amendments to HB 1244 were modest and failed to remedy the problematic provisions of the bill that led the Oversight Board to determine on March 18, 2022 that HB 1244 impairs and defeats the purposes of PROMESA;

WHEREAS, the Oversight Board has determined HB 1244, in the form passed by the Legislature on June 7, 2022, will impair and/or defeat PROMESA's purposes, including of ensuring fiscal responsibility and achieving access to capital markets, by discouraging new hiring and reducing labor market flexibility in direct contravention of the Fiscal Plan, which in turn will (1) negatively impact Puerto Rico's dismal labor force participation rate; (2) reduce economic growth and market competition; (3) deprive the Commonwealth of the revenues associated with such revenue growth (including by reducing the effectiveness of the Earned Income Tax Credit); and (4) increase the Commonwealth's public assistance burden;

WHEREAS, after consultation with the Oversight Board's legal and financial advisors, and following extensive deliberation, the Oversight Board has determined it is necessary and appropriate under PROMESA to take such actions as it considers necessary, consistent with its powers under PROMESA, to prevent further harm to Puerto Rico's financial future from HB 1244; and

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Oversight Board:

1. Directs the Governor not to enact HB 1244;
2. Directs the Government not to implement or enforce HB 1244;

3. Advises the Government it is barred by PROMESA section 108(a)(2) from enacting, implementing, and enforcing HB 1244;
4. Approves taking legal action against the Government and other appropriate parties, pursuant to its authority under PROMESA, including section 104(k), to enforce the bar against enacting, implementing, and enforcing HB 1244 and to have it declared a nullity, to prevent further harm to the Commonwealth and its citizens and to carry out PROMESA.

Agreed and authorized as of the date first set forth above.